POSTSCRIPTS

News of the CSU East Bay Hayward Emeritus and Retired Faculty Association
Spring 2012

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President’s Message:

I began teaching at CSU, Hayward in 1970 and members of the California legislature denied salary raises because of their anger at the faculty for various spurious reasons. The following year Governor Reagan did the same because he thought liberal faculty were indoctrinating students with leftist ideas and causing campus riots. Now, 40 years later, we have a potential presidential nominee who said “President Obama wants everybody in America to go to college, what a snob.” Aside from the gratuitous name-calling, that is not Obama’s position. Also: there are people that “aren’t taught by some liberal college professor. And trying to indoctrinate them.” Did you realize you were a liberal? Not only that, do you realize how powerful you are, or have been, as a faculty member? Is that why we got the big bucks? Faculty members can apparently manipulate the minds of others so easily with their left wing ideas. And we want a living wage for doing so. For shame! (I am not arguing. I am just explaining why I am right.)

I attended the Faculty Honors Convocation on March 1 and it was a impressive function. It was unfortunate that so few present faculty attended--apparently everyone teaches at 4 on Thursdays.

At our fall luncheon, Maurie Dance received our special award for long and dedicated service to CSUEB Hayward.

It is with pleasure that I announce that newly appointed CSU East Bay President Leroy M. Morishita will be our luncheon speaker on April 3. He may be the president that we have always wanted. Please attend and bring questions so that he can inform us of his ideas and plans for the future of the campus. The emeriti can be an important influence and I believe that it is vital that he gets to know us.

Bea Pressley, President
**Fall Luncheon**

Guest Speaker:  *President Leroy M. Morishita*

Date:  April 3, 2012
Time:  Gather starting at **11:30**, social hour of **45 minutes**, sit down **12:15**
Place:  Dino's at 3600 Castro Valley Blvd., Castro Valley

All lunches are $25, in cash or by check, paid when you arrive at Dino’s. Checks made payable to *Helen Sowers*, our treasurer. Lunches include food, gratuity, tax, coffee, tea, soda, tossed green salad with Italian dressing, vegetables, rolls, iced tea, red wine, white wine, and even chocolate mints.

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<th>Menu</th>
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<tr>
<td>• Vegetarian Lasagna</td>
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<tr>
<td>• Broiled Salmon with dill cream sauce and rice</td>
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<tr>
<td>• Bay Shrimp Louie with Louie dressing</td>
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<td>• Broiled Half Spring Chicken with mashed potato</td>
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Please make reservations and menu selections by March 27, Tuesday, with
- **Jack Kilgour**, (510) 582-8760, john.kilgour@csueastbay.edu
- **Bea Pressley**, (925) 946-9786, beapressley@mac.com

**After March 27, RSVP to Bea only**, as Jack will be on a trip.

Your timely RSVP is appreciated; we have to tell the restaurant how many meals to prepare.

**Emeriti Academic Senator’s Message**

Academic Senators are angry over being ignored by the Chancellor's Office. The Chancellor's Office slashed funds supporting meetings of the state-wide Academic Senate. Must the CSU Senate now reduce the number of meetings and the number of senators? Large campuses like San Diego State could be cut from 3 to 2; small campuses like the Maritime Academy could be cut from two to one.

Susan Gubernat of the English Department resigned over the loss of financial support for the state-wide Senate, the ignoring of Senate recommendations such as on the testing of English skills of admitted Freshmen, and creation of Cal State Online without Senate input. On Feb. 28, The CSU East Bay Senate resolved that Cal State Online program be eliminated. Many believe that the resolution will be ignored by the Chancellor.

Opponents of this resolution observed that our current Provost serves on the Board of Directors for Cal State Online and that it would provide state-wide courses now provided through extension divisions at the various campuses. Students would be able to find courses more easily and receive better access to them. Competition and duplication among campuses would be reduced. CSU, East Bay, now provides eleven online programs, the most among all campuses, so our campus could benefit the most from services provided by Cal State Online.

The CSU, East Bay, Senate debated who should belong to the proposed new Standing Committee on Diversity and Equity and referred the matter back to the planning committee. Among the problems is the need to change constitutional guidelines for organizing the membership of a standing committee, such as having members who must be from specific departments, i.e., Ethnic Studies and Women's Studies.

CSU budgetary problems could get $200 million worse if none of the propositions to raise taxes passes in the June election. CSU, East Bay, could lose $7.5 million.

David R. Stronck, Academic Senator for Emeriti, david.stronck@csueastbay.edu
Obituaries

Ruthy Stephan and Gina Traversa of the Office of Academic Affairs is doing a great job of maintaining a website, [http://www20.csueastbay.edu/oaa/memorial/](http://www20.csueastbay.edu/oaa/memorial/), honoring deceased faculty, that we might live on in ether space and on hard drives. Postscripts coverage is being reduced, with URLs to the website. If you get the emailed PDF of Postscripts, you not only save ERFA money but also get clickable connection to the site. Span of years shown is for time at CSUEB Hayward.

[http://www20.csueastbay.edu/oaa/files/memorial_files/MemorialHarrell.pdf](http://www20.csueastbay.edu/oaa/files/memorial_files/MemorialHarrell.pdf)


[http://www20.csueastbay.edu/oaa/files/memorial_files/MemorialRice.pdf](http://www20.csueastbay.edu/oaa/files/memorial_files/MemorialRice.pdf)


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The CalPERS COLA and PPPA

John G. Kilgour

The Cost of Living Allowance (or Adjustment) (COLA) for most State of California and CSU retirees is limited to the lesser of 2% or the actual rate of inflation. A widely held misconception is that the 2% is applied to the current gross retirement benefit each year and that when the rate of inflation is above 2%, the difference is “banked” to be drawn upon in future years when the inflation rate is below 2%. It is a little more complicated than that.

**HOW THE COLA WORKS.** There is no COLA in the first year of retirement. It starts in the second calendar year after retirement and is then calculated annually and applied each May 1 thereafter. CalPERS calculates the compounded 2% maximum COLA each year \((1.02 \times 1.02) - 1 = .04\) (or 4%); \((1.02 \times 1.04) - 1 = .061\); \((1.02 \times 1.061) - 1 = .082\) etc., (rounded). It then compares that to the compounded actual rate of inflation.

For the inflation rate, CalPERS uses the Annual Average of the All Urban Consumer Price Index (CPI-U), one of the numerous CPIs published by the Bureau of Labor Statistics (BLS). The CalPERS uses a CPI-U based on 1967 = 100. (The BLS currently publishes CPI data on a more recent base, 1982 – 1984 = 100.)

CalPERS then compares their cumulative 2% rate to the cumulative actual inflation rate and applies the lesser of the two to the retiree’s basic (initial) benefit. If inflation is higher than 2% for several years, the cumulative 2% rate falls further behind the cumulative actual inflation rate.

Until recently, the rate of inflation has been well above 2%, which resulted in retirees getting a 2% COLA each year. In 2010, however, the "inflation" rate was a negative 3.57%. Participants who retired in 2005 or earlier received the full 2% COLA in 2011. Those with retirement dates of 2006 or 2007 received slightly less. And those who retired in 2008 and
2009 received 1.27% and 1.64% respectively. For 2011, the inflation rate will be about 3%, so almost all of us will receive a 2% adjustment this May.

**THE PPPA.** There is another adjustment provided by CalPERS called the Purchasing Power Protection Allowance. The PPPA is separate from, and in addition to, the COLA, although the calculations are similar. When the retirement benefit falls below 75% of the inflation-adjusted purchasing power of the retiree’s basic (initial) benefit, Calpers restores it to the 75% level. CalPERS used to say that the PPPA kicked in 10 or 12 years after retirement. Given the low levels of price inflation since 2008, that is no longer the case.

Until this year, the PPPA was made in January. Beginning 2012, it will be made on May 1, the same as the COLA

**HOW DO WE COMPARE?** CalPERS also provides pension services to local government agencies. They may contract for COLA rates of 2, 3, 4 or 5%. Obviously, we do not compare well with those local agencies with more generous arrangements. The University of California Retirement Plan’s (UCRP) COLA equals 100% of the first 2% of price increase, 75% of the next 4% to a maximum of 6% of inflation. The UC also periodically makes an *ad hoc* adjustment to restore purchasing power to the 75% level. The California State Teachers’ Retirement System (CalSTRS) provides a flat 2% adjustment annually. It does not seem to have the equivalent of our PPPA.

The Wisconsin Legislative Council’s 2010 Comparative Study of Major Public Employee Retirement Systems (December 2011) reports that of the 87 plans studied, 28 had COLAs indexed to the CPI, 29 had automatic percentage increases, 19 had *ad hoc* adjustments made by the legislature, 5 based their COLAs on investment surpluses and 6 plans had no COLA provisions at all. The maximum adjustments and other specifics varied widely.

**CONCLUSION.** Is the glass two-thirds full or is it one-third empty? Compared to the University of California and many local government agencies, our 2% cap looks rather paltry. Compared to CalSTRS, it looks pretty good. And compared to private-sector defined-benefit pension plans, it looks wonderful! The glass is two-thirds full.